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Turkey's Breakfast Cereals to be produced in Turkey

Production Facility investment worth of 85 million TL from Nestlé to Turkey

The world's leading nutrition, health and wellness company Nestlé, with a 100 year presence in Turkey, is completing the construction of its breakfast cereals production facility which is going to meet the domestic demand and make Turkey an export and production base for the nearby countries. Nestlé is going to start the production of the breakfast cereals, which it has imported up to this date, in Turkey. Built with the support of the Investment Support and Promotion Agency of Turkey (ISPAT) in Karacabey, Bursa, the breakfast cereals production facility will begin production with a production capacity of over 10,000 tons in the second half of 2011. All of the raw materials to be used in the production processes will be procured domestically and Nestlé will buy 4,350 tons of sugar, 5,350 tons of wheat, 4,000 tons of corn and 1,000 tons of rice per year as of 2013. By the completion of production facility, almost all Nestle products which are sold in Turkey shall be produced in Turkey. The production facility, which will transform Turkey into a regional hub in the breakfast cereals category, is launched to the press through a meeting attended by Minister of Trade and Industry Nihat Ergün, ISPAT President Mr. M. İlker Aycı and Nestlé Turkey Managing Director Hans-Ulrich Mayer.

March 24, 2011 – Nestlé adds a new one to its production facilities in Turkey. The breakfast cereals production facility which Nestlé is building in Karacabey, Bursa will begin production in the second half of 2011. In the category of breakfast cereals which is rapidly growing in Turkey, besides meeting domestic demand, the production facility will export to North African and Middle Eastern countries and transform Turkey into one of the important centers of breakfast cereals production of Nestlé. The 85 million TL production facility will have a closed area of 9,400 square meters is going to be equipped with the highest production technology. The factory, the production capacity of which is more than 10,000 tons, will procure all raw materials locally and purchase 4,350 tons of sugar, 5,350 tons of wheat, 4,000 tons of corn and 1,000 tons of rice per year as of 2013. As a result of the investment, almost all Nestlé products which are sold in Turkey shall be produced in Turkey.

Nestlé operates 14 production facilities throughout the world for its fastest-growing breakfast cereals category. Nestlé shared information about its investment, which will be the fifteenth production facility of the Company in the world, at a press meeting attended by the Minister of Industry and Trade, Mr. Nihat Ergün; ISPAT President Mr. M. İlker Aycı and Nestlé Turkey Managing Director Hans-Ulrich Mayer.

Having reached close to a 1 billion US dollar turnover, Nestlé Turkey has increased its capacity by 30 percent within the last three years and grew by 20 percent in 2010. Nestlé Turkey Managing Director Hans-Ulrich Mayer said that Nestlé entered into the breakfast cereals category in Turkey in 1998 and added, “We have grown this category 10-fold since 1998. We are the strongest player in this category which will be worth around 200 million Turkish lira in the end of this year. In this category which grew by 26 percent in 2010, Nestlé sustained its market leadership with 60 percent market share.”

Turkey is chosen among many other candidates

Nestlé Turkey Managing Director Hans-Ulrich Mayer said that many countries vied with each other to get the 85 million Turkish lira investment and added, “In addition to the 325 million Turkish lira worth of investments we have realized in Turkey in the last four years, we are realizing another investment in Karacabey in 2011.” Saying that they feel proud to have attracted the 85 million Turkish lira investment also to Turkey with the support of ISPAT, Mr. Mayer thanked to ISPAT for their great contributions to the realization of the investment in Turkey. Stating that the production facility to be built in Karacabey would further strengthen the presence of Nestlé in Turkey, Hans-Ulrich Mayer said that Turkey would be an export hub in the region by exporting 30 percent of the production. He also added, “The turnover of Nestlé Turkey has reached almost 1 billion US dollar. We have increased our capacity by 30 percent within the last three years and grew by 20 percent in 2010. We are growing sustainable in Turkey.”

Hans-Ulrich Mayer said that they had completed their 100th year in Turkey as Nestlé and that they were entering their second century in Turkey with a new investment.” He said, “There were other countries which vied for this investment but Turkey has surpassed all other candidate countries in the end. The fact that Nestlé has chosen Turkey to built its fifteenth breakfast cereals company is an indication of our belief in Turkey and the society and our long-term commitment in this country.”

1 million new households buy breakfast cereals every year

Hans-Ulrich Mayer said that with by the completion of the production facility, almost all Nestlé products sold in Turkey shall be produced in Turkey and total amount of Nestlé Turkey’s exports shall be doubled within 3 years. Hans-Ulrich Mayer stated that breakfast cereals was a very fast growing category in Turkey thanks to the raising importance of healthy nutrition awareness in the country; seven million households bought breakfast cereals and each year around 1 million new families started purchasing breakfast cereals which implies category shall be much bigger in following years and said, “Our breakfast cereals are highly nutritious and they help meet the dietary needs of all people from all age groups, especially children, by providing fibers, calcium, iron and vitamins. As Nestlé, our main strategy in Turkey, as it is all around the world, is to provide our consumers with products which would allow them to be nourished in a healthy and nutritious way. The production facility investment we have realized is a testament indication of this strategy. We want individuals to start their days by eating healthy and nutritious food products. Our breakfast cereals rich in whole grains, fibers,



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calcium, iron and vitamins encourage especially children to have breakfast which is very important for their healthy growing.” Emphasizing that breakfast cereals were especially important for the dietary needs of children thanks to their consumption with milk, Mr. Mayer said, “We are aware how important milk is for the healthy nutrition and development of children. In Turkey 62,5 million liters of milk is consumed with breakfast cereals each year.”

As one of the largest breakfast cereals producers of the world with an annual turnover over 4 billion Turkish lira Nestlé offers its breakfast cereals for sale in more than 130 countries. The Karacabey production facility, which will transform Turkey into a production center in the region in the breakfast cereals category, is going to export its products to North African and Middle East countries.

Investment Support and Promotion Agency of Turkey (ISPAT) President M. İlker Aycı expressed his satisfaction with the investment of Nestlé and said, “Our priority as ISPAT is to attract value-adding investments to our country. In order to make Turkey a competing and winning country among the most important industries of the world, our mission is to encourage investments which brings in highest production technologies and provides employment and added value. Nestlé’s production facility investment in Karacabey is compatible with the fundamental vision of ISPAT and very important,” and added, “Also, the fact that a product which has been important up to this date is going to be produced by using local raw materials will make a great contribution to our country’s economy. As the leading food and Beverages Company of the world, Nestlé has a rooted history in Turkey. The investments they have realized to date are the testament to their commitment to Turkey. We are aware that this pioneering investment is going to set an example to other potential investors. Nestlé decided to make this investment during the global financial crises, this indicates their belief in Turkey and the dynamism of Turkish economy. With this factory , we will be exporting the product which we have been importing so far. The fact that we will be exporting the product which is manufactured in Turkey by our local work force and local raw materials sets an ideal model for the international investments that we would like to attract to our country”.